

**LAFOURCHE PARISH FIRE PROTECTION
DISTRICT No. 1**

**ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2007**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date

6/18/08



STAGNI & COMPANY, LLC

Lafourche Parish Fire Protection District No. 1
ANNUAL FINANCIAL REPORT
As of and for the Year Ended December 31, 2007

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Lafourche Parish Fire Protection District No. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2007

The following narrative is presented to facilitate a better understanding of the year-end financial position and results of operations for the year ended December 31, 2007. When read in conjunction with the notes to the financial statements, this section's financial highlights, overview and analysis should assist the reader to gain a more complete knowledge of the financial performance.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the governmental activities as a whole and present a longer-term view of the finances. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds (Fund Financial Statements) tell how services were financed in the short term as well as what remains for future spending. Fund financial statements also report the operations in more detail than the government-wide statements by providing information about the most significant funds.

Our auditor has provided assurance in his independent auditor's report, located immediately following this MD&A, that the basic financial statements are fairly stated. The auditor, regarding the Required Supplemental Information and the Other Supplemental Information is providing varying degrees of assurance. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Annual Report.

Government-Wide Financial Statements

One of the most important questions asked about finances is, "Is the Lafourche Parish Fire Protection District No. 1 as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information as a whole and about activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the net assets and changes in them. You can think of net assets—the difference between assets and liabilities—as one way to measure the financial health, or financial position. Over time, increases or decreases in net assets are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, to assess the overall health of the Lafourche Parish Fire Protection District No. 1.

Lafourche Parish Fire Protection District No. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2007

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds—not as a whole. Some funds are required to be established by State laws. The Lafourche Parish Fire Protection District No. 1 utilizes mainly the governmental type of fund with the following accounting approach. Most of the basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in reconciliation at the bottom of the fund financial statements.

FINANCIAL HIGHLIGHTS

Our financial statements provide these insights into the results of this year's operations:

- As a result of this year's operations assets exceeded liabilities by \$ 1,337,073 (net assets).
- Total net assets are comprised of the following:
 - (1) Invested in capital assets of \$988,731 including the cost of trucks and equipment, net of accumulated depreciation and net of related debt.
 - (2) Restricted for debt service of \$95,504.
 - (3) Unrestricted net assets of \$252,838 representing the portion available to maintain the continuing obligations to citizens and creditors.
- Total spending for all public safety activities was \$360,385 for the year, which was \$248,427 more than the program revenues for these activities - \$111,958.
- The general revenues used to offset the deficit for program expenditures totaled \$356,797 for the year.
- The governmental funds reported total ending fund balance of \$344,760, of which \$249,256 was considered unreserved and \$95,504 was considered reserved for debt service. This compares to the prior year ending fund balance – of \$223,066, showing an increase of \$121,695 during the current year.
- Total revenue reported for all governmental funds was \$468,755. Total expenditures were \$347,060, including \$115,393 of capital expenditures and \$64,222 of debt service expenditures. This resulted in an excess of revenues over expenditures for the year of \$121,695.

Lafourche Parish Fire Protection District No. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2007

FINANCIAL ANALYSIS AS A WHOLE (GWFS)

The Statement of Net Assets and the Statement of Activities report son only one type of activity – governmental activities. Most of the basic instructional and support services are reported as this type. General ad valorem taxes, operating grants and contributions, and fees charged to community homes finance most of these activities.

Our analysis below focuses on the net assets of the governmental-type activities:

Condensed Statement of Net Assets				
	2007	2006	Dollar Change	Total Percent Change
Current and Other Assets	\$ 732,996	\$ 592,105	\$ 140,891	23.8%
Capital Assets	1,300,652	1,342,641	(41,989)	-3.1%
Total Assets	2,033,648	1,934,746	98,902	5.1%
Current Liabilities	441,575	419,814	21,761	5.2%
Long Term Liabilities	255,000	308,000	(53,000)	-17.2%
Total Liabilities	696,575	727,814	(31,239)	-4.3%
Invested in Capital Assets	988,731	979,791	8,940	0.9%
Restricted	95,504	92,564	2,940	3.2%
Unrestricted	252,838	134,577	118,261	87.9%
Total Net Assets	\$ 1,337,073	\$ 1,206,932	\$ 130,141	10.8%

Net assets increased by \$130,141 as a result of this year's operations, which indicates that the overall financial position improved during the year. Unrestricted net assets—the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements—absorbed most of the increase this year. The balance in net assets represents the accumulated results of all past years' operations.

Lafourche Parish Fire Protection District No. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2007

Condensed Statement of Activities

	2007	2006	Dollar Change	Total Percent Change
Charges for Services	\$ 60,369	\$ 15,353	45,016	293.2%
Operating Grants and Contributions	51,589	48,171	3,418	7.1%
Program Expenses:				
Current	185,899	167,598	18,301	10.9%
Depreciation - unallocated	174,486	173,453	1,033	0.6%
Total program expenses	<u>360,385</u>	<u>341,051</u>	<u>19,334</u>	<u>5.7%</u>
Net program income	<u>(248,427)</u>	<u>(277,527)</u>	<u>(29,100)</u>	<u>-10.5%</u>
 General revenues	 <u>356,797</u>	 <u>412,168</u>	 <u>(55,371)</u>	 <u>-13.4%</u>
Change in Net Assets	<u>108,370</u>	<u>134,641</u>	<u>(26,271)</u>	<u>-23.9%</u>
 Net Assets:				
Beginning of the year	1,206,933	1,072,290	134,643	12.6%
Adjustment for Donated Assets	21,770		21,770	#DIV/0!
End of the year	<u>\$ 1,337,073</u>	<u>\$ 1,206,931</u>	<u>\$ 130,142</u>	<u>10.8%</u>

Total revenues generated by governmental activities for the year were \$468,755 (\$111,958 in program revenues and \$356,797 in general revenues). The total cost of all public service programs and services was \$360,385.

FINANCIAL ANALYSIS OF INDIVIDUAL FUNDS (FFS)

The Lafourche Parish Fire Protection District No. 1 uses funds to help it control and manage money for particular purposes. Looking at individual funds helps you consider whether the District is being accountable for the resources provided to it but may also give you more insight into the overall financial health.

The governmental funds reported a combined fund balance of \$344,760. This reflects an increase of \$121,695 from last year. This increase is primarily the result of the events and programs described within the analysis of the governmental activities.

Lafourche Parish Fire Protection District No. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2007

Condensed Balance Sheet

	2007	2006	Dollar Change	Total Percent Change
Total Current Assets	\$729,414	\$588,029	\$141,385	24.0%
Total Current Liabilities	384,654	364,964	19,690	5.4%
Fund Equity:				
Reserved	95,504	92,564	2,940	3.2%
Unreserved	<u>249,256</u>	<u>130,501</u>	<u>118,755</u>	<u>91.0%</u>
Total fund equity	<u>344,760</u>	<u>223,065</u>	<u>121,695</u>	<u>54.6%</u>
Total Liabilities and Equity	\$729,414	\$588,029	\$141,385	24.0%

Condensed Statement of Revenues, Expenditures
and Changes in Fund Balances

	2007	2006	Dollar Change	Total Percent Change
Total Revenues	\$ 468,755	\$ 475,692	(6,937)	-1.5%
Expenditures:				
Current	167,445	150,382	17,063	11.3%
Capital Outlay	115,393	239,921	(124,528)	-51.9%
Debt Service	<u>64,222</u>	<u>64,552</u>	<u>(330)</u>	<u>-0.5%</u>
Total Expenditures	<u>347,060</u>	<u>454,855</u>	<u>(107,795)</u>	<u>-23.7%</u>
Excess (Deficiency)	121,695	20,837	100,858	484.0%
Other Financing Sources (Uses)	-	-	-	-100.0%
Fund Balance:				
Beginning of the year	<u>223,066</u>	<u>202,228</u>	<u>20,838</u>	<u>10.3%</u>
End of the year	<u>\$ 344,761</u>	<u>\$ 223,065</u>	<u>\$ 121,696</u>	<u>54.6%</u>

Lafourche Parish Fire Protection District No. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2007

GENERAL FUND BUDGETARY HIGHLIGHTS

There were no amendments to the original budget for the General Fund during the year.

CAPITAL ASSETS

The investment in capital assets, net of accumulated depreciation, for governmental activities as of December 31, 2007 and 2006 was \$1,300,652 and \$1,342,641 respectively.

	2007	2006
Land	\$ 64,500	\$ 64,500
Stations & Equipment	802,606	752,999
Trucks & Equipment	1,983,970	2,026,241
Other Equipment	330,795	209,963
Total Cost	3,181,871	3,053,703
Accumulated Depreciation	1,881,219	1,711,062
Net Capital Assets	<u>\$ 1,300,652</u>	<u>\$ 1,342,641</u>
Depreciation Expense	<u>\$ 174,486</u>	<u>\$ 173,452</u>

This year there was \$115,393 of additions and \$9,198 of disposals (with a loss on disposals of \$4,809) and depreciation expense of \$174,486. More detailed information about the capital assets is presented in Note 6 to the basic financial statements.

LONG-TERM DEBT

At year-end, the Lafourche Parish Fire Protection District No. 1 had \$358,000 in general obligations bonds outstanding – a decrease of 14% over last year. The Lafourche Parish Fire Protection District No. 1 does not plan on issuing any more new debt to finance major capital improvements, but will be reviewing bond market conditions for financing future year capital expenditures. More detailed information about long-term liabilities is presented in Note 7 to the financial statements.

Lafourche Parish Fire Protection District No. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2007

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Highlights of next year's adopted budget for the general fund include:

Beginning Fund Balance	\$	127,966
Projected Revenue		388,920
Projected Expenditures		<u>(516,840)</u>
Ending Fund Balance	\$	<u>46</u>

CONTACTING FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Lafourche Parish Fire Protection District No. 1 finances and to show accountability for the money it received. If you have questions about this report or need additional financial information, contact:

Mr. Randall Robichaux, Treasurer
P.O. Box 156
Raceland, LA 70394
985-537-7517

FINANCIAL SECTION



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners,
Of the Lafourche Parish Fire Protection District No. 1
Raceland, LA

We have audited the accompanying financial statements of the governmental activities and each major fund of the Lafourche Parish Fire Protection District No. 1, a component unit of the Lafourche Parish Council, as of and for the year ended December 31, 2007, which collectively comprise the basic financial statements as listed in the table of contents. These financial statements are the responsibility of Lafourche Parish Fire Protection District No. 1's, management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of the Lafourche Parish Fire Protection District No. 1, as of December 31, 2007, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 12, 2008, on our consideration of the Lafourche Parish Fire Protection District No. 1's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

To the Board of Commissioners,
Of the Lafourche Parish Fire Protection District No. 1,
Page 2

Management's Discussion and Analysis and the Required Supplementary Information, as listed in the table of contents, are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Lafourche Parish Fire Protection District No. 1's basic financial statements. The Other Supplemental Information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Lafourche Parish Fire Protection District No. 1. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

Stagni & Company

Thibodaux, LA
May 12, 2008

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 1

Statement of Net Assets

December 31, 2007

ASSETS

Current Assets:

Cash	\$ 351,450
Ad valorem taxes receivable	56,190
Due from other governmental units	320,753
Deposits	1,020
Bond Issuance Cost (net of amortization)	3,582
Total current assets	<u>732,995</u>

Noncurrent assets:

Capital Assets, net of accumulated depreciation	<u>1,300,652</u>
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TOTAL ASSETS 2,033,647

LIABILITIES

Current Liabilities:

Accounts Payable	7,709
Deferred revenue	376,944
Bonds Payable-Current	53,000
Accrued Interest on Bonds Payable	3,921
Total current liabilities	<u>441,574</u>

Long term liabilities:

Bonds Payable-long term	<u>255,000</u>
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TOTAL LIABILITIES 696,574

NET ASSETS

Invested in capital assets, net of related debt	988,731
Restricted for Debt Service	95,503
Unrestricted	252,839
Total net assets	<u>\$ 1,337,073</u>

See notes to financial statements.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 1
LAFOURCHE PARISH, LOUISIANA

Statement of Activities - Governmental Activities
For the Year Ended December 31, 2007

FUNCTIONS/PROGRAMS	Program Revenue		Net (Expense) Revenue
	Expenses	Charges for services Operating Grants	
Public safety activities:	\$ 360,385	\$ 60,368	\$ (248,428)
Total governmental activities	<u>360,385</u>	<u>60,368</u>	<u>(248,428)</u>
GENERAL REVENUES			
Ad valorem taxes			347,272
State Revenue Sharing			9,525
TOTAL GENERAL REVENUES			<u>356,797</u>
CHANGE IN NET ASSETS			108,369
NET ASSETS:			1,206,933
Beginning of year			21,770
Adjustment for Donated Assets			<u>\$ 1,337,072</u>
End of year			

See notes to financial statements.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 1

Balance Sheet - Governmental Funds

December 31, 2007

	General Fund	Debt Service	Total Governmental Funds
ASSETS			
Cash	\$ 255,946	\$ 95,504	\$ 351,450
Ad valorem taxes recievable	49,291	6,899	56,190
Due from other governmental units	281,362	39,391	320,753
Deposits	1,020		1,020
Total assets	<u>\$ 587,619</u>	<u>\$ 141,794</u>	<u>\$ 729,413</u>
LIABILITIES AND EQUITY			
Liabilities			
Accounts Payable	\$ 7,709		\$ 7,709
Deferred revenue	330,653	\$ 46,291	376,944
Total liabilities	<u>338,362</u>	<u>46,291</u>	<u>384,653</u>
EQUITY			
Fund balances-reserved for debt service		95,503	95,503
Fund balances-unreserved, undesignated:	<u>249,257</u>		<u>249,257</u>
Total equity and other credits	<u>249,257</u>	<u>95,503</u>	<u>344,760</u>
Total liabilities & equity	<u>\$ 587,619</u>	<u>\$ 141,794</u>	

RECONCILIATION TO STATEMENT OF NET ASSETS:

Amounts reported for governmental activities in the statement of net assets are different because:

The net book value of capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

1,300,652

Some liabilities are not due and payable in the current period and therefore are not reported in the funds:

Bonds Payable	Current	(53,000)
	Long Term	(255,000)
	Accrued interest on Bonds	(3,921)
	Unamortized bond issue costs	<u>3,582</u>

(308,339)

Net assets of governmental activities

\$ 1,337,073

See notes to financial statements.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 1

Statement of Revenues, Expenditures, and Changes
in Fund Balances - Governmental Funds
For the Year Ended December 31, 2007

	General Fund	Debt Service	Total Governmental Funds
REVENUES			
Taxes-ad valorem	\$ 304,595	\$ 42,677	\$ 347,272
State of Louisiana:			
State Revenue Sharing	9,525		9,525
Insurance Rebate	51,589		51,589
Lafourche Communication District	11,700		11,700
Other	47,715	953	48,668
TOTAL REVENUES	<u>425,124</u>	<u>43,630</u>	<u>468,754</u>
EXPENDITURES			
General government - current:			
Ad valorem tax deductions	11,965		11,965
Total general government - current	<u>11,965</u>		<u>11,965</u>
Public safety - current:			
Fire Fighting Equipment	364		364
Insurance	47,495		47,495
Operating Exp-Trucks	4,352		4,352
Maintenance-Trucks	37,238		37,238
SCBA	3,659		3,659
Maintenance -Buildings	13,577		13,577
Utilities	21,785		21,785
Telephone	6,349		6,349
Communications	2,576		2,576
Publications	226		226
Fire Prevention Week	2,882		2,882
Professional Services	10,490		10,490
Leases	500		500
Training	2,060		2,060
Miscellaneous	1,927		1,927
Total public safety - current	<u>155,480</u>		<u>155,480</u>
Capital expenditures	<u>115,393</u>		<u>115,393</u>
Debt Service:			
Principal Retirement	-	51,000	51,000
Interest and fiscal charges	-	13,222	13,222
Total debt service	-	64,222	64,222
TOTAL EXPENDITURES	<u>282,838</u>	<u>64,222</u>	<u>347,060</u>
Excess (deficiencies) of revenues over expenditures	142,286	(20,592)	121,694
OTHER FINANCING SOURCES(USES)			
Transfers in (out)	(23,531)	23,531	-
Total other financing sources and uses	<u>(23,531)</u>	<u>23,531</u>	<u>-</u>
Net change in fund balance	118,755	2,939	121,694
FUND BALANCES			
Beginning of year	130,502	92,564	223,066
End of year	<u>\$ 249,257</u>	<u>\$ 95,503</u>	<u>\$ 344,760</u>

See notes to financial statements.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 1
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
As of and for the year ended December 31, 2007

Net change in fund balances - total governmental funds \$ 121,694

Amounts reported for *governmental activities* in the statement of activities
(government-wide financial statements) are different because:

Governmental funds report capital outlays as expenditures in the individual fund.
Governmental activities report depreciation expense to allocate the cost of those
capital assets over the estimated useful lives of the asset.

Capital Outlay purchases	\$ 115,393	
Depreciation Expense	(174,486)	
Loss on disposal of asset	<u>(4,809)</u>	
		<u>(63,902)</u>

Repayment of long-term debt is reported as an expenditure in governmental funds,
but the repayment reduces long-term liabilities in the statement of net assets.

In the current year, these amounts consist of:

Bond principal retirement	51,000	
		<u>51,000</u>

Some items reported in the statement of activities do not require the use of current
financial resources and therefore are not reported as expenditures in
governmental funds:

Accrued interest on Bonds	71	
Amortization of bond issue costs	(494)	
		<u>(423)</u>

Change in net assets of governmental activities	<u><u>\$ 108,369</u></u>
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See notes to financial statements.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT No. 1

Notes to the Financial Statements
For the Year Ended December 31, 2007

The Lafourche Parish Council adopted a resolution creating Fire Protection District No. 1 of the Parish of Lafourche, Louisiana and defining and describing the boundaries thereof on May 13, 1953. The District comprises that territory within the present boundaries of Police Jury Wards three and seven of Lafourche Parish. The District has all the rights and powers and privileges granted by and conferred by the Constitution and Statutes of the State of Louisiana, including the right to incur debt, issue bonds, and levy taxes.

Note 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The accompanying basic financial statements have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, issued in June 1999.

B. Reporting Entity

Under Governmental Accounting and Financial Standards Section 2100, the financial reporting entity consists of the primary government and its component units. As the governing authority of the parish, the Lafourche Parish Council is considered to be the primary government for financial reporting purposes for the Parish of Lafourche.

Component units are defined as legally separate organizations for which the elected officials of the primary government are financially accountable. The criteria used in determining whether financial accountability exists include:

- Appointing a voting majority of an organization's governing body, and
 - a. The ability of the council to impose its will on that organization and/or;
 - b. The potential for the organization to provide specific financial benefits to or imposes specific financial burdens on the council. Organizations for which the council does not appoint a voting majority but are fiscally dependent on the council.
- Organizations for which the council does not appoint a voting majority but are fiscally dependent on the council.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT No. 1

Notes to the Financial Statements
For the Year Ended December 31, 2007

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

Reporting Entity (Continued)

- Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

The District is considered a component unit of the Lafourche Parish Council, if applying the criteria above. This decision is based on the fact that the Parish Council appoints the voting majority of the Board of Commissioners of the District.

C. Fund Accounting

The District uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Governmental Funds

Governmental funds account for all or most of the general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources that may be used to finance future period programs or operations. The following are the governmental funds:

General Fund - The General Fund is used to account for all financial resources and expenditures except those that are required to be accounted for in another fund.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of general long-term obligation principal, interest and related costs.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT No. 1

Notes to the Financial Statements
For the Year Ended December 31, 2007

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

D. Measurement Focus / Basis of Accounting

Fund Financial Statements (FFS)

The amounts reflected in fund financial statements, are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of operations.

The amounts reflected in the fund financial statements, use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The court considers all revenues available if they are collected within 60 days after the fiscal year end.

Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues – Ad valorem taxes and the related state revenue sharing are recorded as revenue in the period for which levied, thus the 2006 property taxes which were levied to finance the 2007 budget are recognized as revenue in 2007. Miscellaneous revenues are recorded as revenues when received in cash by the District because they are generally not measurable or available until actually received.

Expenditures – The major expenditures current public safety supplies, insurance and audit and accounting fees are recorded when payable or when the fees are incurred.

Government-Wide Financial Statements (GWFS)

LAFOURCHE PARISH FIRE PROTECTION DISTRICT No. 1

Notes to the Financial Statements
For the Year Ended December 31, 2007

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

D. Measurement Focus / Basis of Accounting (continued)

The government-wide financial statements display information as a whole. These statements include all the financial activities. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed).

Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*.

Program Revenues - Program revenues included in the column labeled Statement of Activities are derived directly from users as a fee for services; program revenues reduce the cost of the function to be financed from the general revenues.

E. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

F. Operating Budgets

As required by Louisiana Revised Statutes, The Board of Commissioners adopted a budget for the District. The Board, as allowed by state law, does not obtain public participation in the budget process. The Board must approve any amendment involving the transfer of monies from one function to another, or increases in expenditures. All budgeted amounts that are not expended or obligated through contracts lapse at year-end. The General Fund budget is adopted on a basis materially consistent with accounting principles generally accepted in the United States of America.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT No. 1

Notes to the Financial Statements
For the Year Ended December 31, 2007

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

G. Cash

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the court may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

H. Receivables

The financial statements for the District contain no allowance for uncollectible accounts. Uncollectible amounts due for ad valorem taxes are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position or operations of the funds.

I. Capital Assets

Capital assets are recorded at historical cost or estimated if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. Capital assets are recorded in the GWFS. All capital assets, other than land, are depreciated using the straight-line method over the following estimated useful lives:

CATEGORY	LIFE
BUILDINGS	25 YEARS
TRUCKS	15 YEARS
EQUIPMENT	5 YEARS

J. Restricted Net Assets

For government-wide statement of net assets, net assets are reported as restricted when constraints placed on net asset use are either:

1. externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; and
2. imposed by law through constitutional provisions or enabling legislation.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT No. 1

Notes to the Financial Statements
For the Year Ended December 31, 2007

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

K. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Any designations of fund balance represent tentative management plans that are subject to change.

Note 2 DEPOSITS AND INVESTMENTS

Deposits:

Demand (deposits, interest bearing demand deposits and certificates of deposit) are recorded at cost, which approximates fair value. At December 31, 2007, the reported amount of deposits was \$351,450 and the bank balance was \$362,160. The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit.

Custodial credit risk is the risk that in an event of a bank failure, the district's deposits may not be returned to it. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposits insurance or the pledge of securities owned by the fiscal agent bank. The market values of the pledged securities plus the federal deposit insurance (FDIC) must at all time equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Of the total bank balance, \$162,160 is considered exposed to custodial credit risk. These deposits are secured from risk by securities held in the name of the pledging fiscal agent bank for the benefit of the District. The collateral must be held at the pledging bank's trust department or other bank, acting as the pledging bank's agent, in the District's name.

Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement 3, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the entity that the fiscal agent has failed to pay deposited funds upon demand.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT No. 1

Notes to the Financial Statements
For the Year Ended December 31, 2007

Note 3 **AD VALOREM TAXES**

Property taxes are levied each December 1 on the assessed value listed as of the prior January 1 for all real property, merchandise and movable property located in the Parish. Assessed values are established by the Lafourche Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law.

A reevaluation of all property is required to be completed no less than every four years. The last reevaluation was completed for the list of January 1, 2004. Taxes are due and payable December 31 with interest being charged on payments after January 1. Taxes can be paid through the tax sale date, which is the last Wednesday in June. Properties for which the taxes have not been paid are sold for the amount of the taxes.

The tax rate for the year ended December 31, 2007 was \$10.00 per \$1,000 of assessed valuation on property within Lafourche Parish Fire Protection District No. 1 for the purpose of maintaining and operating fire protection facilities and programs, and \$1.40 per \$1,000 for the purpose of payment of general long term debt, principal, interest, and related costs for the District.

Note 4 **COMPENSATION OF BOARD MEMBERS**

No compensation was paid to Board Members during the year ended December 31, 2007.

Note 5 **DUE FROM OTHER GOVERNMENTAL UNITS**

The amounts due from other governmental units at December 31, 2007 consisted of ad valorem tax collections due from the Lafourche Parish Tax Collector to be remitted to the District in January 2008.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT No. 1

Notes to the Financial Statements
For the Year Ended December 31, 2007

Note 6 CAPITAL ASSETS

A schedule of changes in capital assets follows:

Governmental activities	Balance 12/31/06	Additions	Donations/ Adjustment	Deletions	Balance 12/31/07
Land	\$ 64,500				\$ 64,500
Stations & Equipment	752,999	\$38,180	\$11,977	(\$550)	802,606
Trucks & Equipment	2,026,241	64,770	(104,203)	(2,838)	1,983,970
Other Equipment	209,963	12,443	114,199	(5,810)	330,795
Total Depreciable assets	\$2,989,203	\$115,393	\$21,973	(\$9,198)	\$3,117,371
Total Assets	\$3,053,703				\$3,181,871

Less accumulated depreciation:

Stations & Equipment	\$429,501	\$43,187	(\$550)	\$472,138
Trucks & Equipment	1,107,802	104,893	(282)	1,212,413
Other Equipment	173,807	26,406	(3,545)	196,668
Totals	\$1,711,104	\$174,486	(\$4,377)	\$1,881,219
Capital assets, net	\$1,342,599			\$1,300,652

Depreciation expense for the year was \$174,486 recorded as governmental activities. An adjustment was made to the beginning net assets for donated assets in the amount of \$21,770.

Note 7 LONG TERM DEBT

At December 31, 2007, the District had outstanding a Certificate of Indebtedness bearing interest at a rate of 8.5% payable through February 1, 2008 and General Obligation Bonds bearing interest at 3.8% payable through April 1, 2015.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT No. 1

Notes to the Financial Statements
For the Year Ended December 31, 2007

Note 7 LONG TERM DEBT (CONTINUED)

A summary of changes in long-term obligations of the District is as follows:

	Payable December 31, 2006	Additions	Deletions	Payable December 31, 2007
COI, Series 1998	\$45,000		\$22,000	\$23,000
GORB, Series 2005	314,000		29,000	285,000
TOTALS	\$359,000		\$51,000	\$308,000

The annual requirements, including interest, to amortize all long-term debt outstanding at December 31, 2007 are as follows:

MATURITY	GOB	COI	TOTAL
2008	40,260	23,623	63,883
2009	41,082		41,082
2010	39,866		39,866
2011	41,593		41,593
2012	40,263		40,263
2013-2015	128,049		128,049
Totals	\$331,113	\$23,623	\$354,736

Note 8 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. To protect against these risks, the District has purchased commercial or other insurance for the losses to which it is exposed.

REQUIRED SUPPLEMENTAL
INFORMATION

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 1

Budgetary Comparison Schedule - General Fund
For the Year Ended December 31, 2007

	Budget Final	Actual	Variance Favorable (Unfavorable)
REVENUES			
Taxes	\$ 304,135	\$ 304,595	\$ 460
State of Louisiana:			
State Revenue Sharing	10,000	9,525	(475)
Insurance Rebate	48,000	51,589	3,589
Lafourche Communication District	10,800	11,700	900
Other	2,000	47,715	45,715
TOTAL REVENUES	<u>374,935</u>	<u>425,124</u>	<u>50,189</u>
EXPENDITURES			
General government - current:			
Ad valorem tax deductions	10,500	11,965	(1,465)
Total general government - current	<u>10,500</u>	<u>11,965</u>	<u>(1,465)</u>
Public safety - current:			
Fire Fighting Equipment	2,000	364	1,636
Insurance	58,000	47,495	10,505
Operating Exp-Trucks	5,000	4,352	648
Maintenance-Trucks	25,000	37,238	(12,238)
Turn Out Gear	1,000	-	1,000
SCBA	20,000	3,659	16,341
Nozzles & Fittings	2,000	-	2,000
Hoses	1,000	-	1,000
Maintenance -Buildings	20,000	13,577	6,423
Utilities	22,000	21,785	215
Telephone	6,400	6,349	51
Communications	12,000	2,576	9,424
Publications	1,000	226	774
Fire Prevention Week	3,500	2,882	618
Professional Services	12,000	10,490	1,510
Leases	500	500	-
Training	3,000	2,060	940
Miscellaneous	3,000	1,927	1,073
Total public safety - current	<u>197,400</u>	<u>155,480</u>	<u>41,920</u>
Capital expenditures	268,258	115,393	152,865
TOTAL EXPENDITURES	<u>476,158</u>	<u>282,838</u>	<u>193,320</u>
Excess (deficiencies) of revenues over expenditures	(101,223)	142,286	243,509
OTHER FINANCING SOURCES(USES)			
Transfers in (out)	(25,000)	(23,531)	1,469
Total other financing sources and uses	<u>(25,000)</u>	<u>(23,531)</u>	<u>1,469</u>
Net change in fund balance	(126,223)	118,755	244,978
FUND BALANCES			
Beginning of year	126,395	130,502	4,107
End of year	<u>\$ 172</u>	<u>\$ 249,257</u>	<u>\$ 249,085</u>

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 1

Budgetary Comparison Schedule - Debt Service Fund

For the Year Ended December 31, 2007

	Budget Final	Actual	Variance Favorable (Unfavorable)
REVENUES			
Taxes	\$42,578	\$42,677	\$99
Other	2,050	953	(1,097)
TOTAL REVENUES	<u>44,628</u>	<u>43,630</u>	<u>(998)</u>
EXPENDITURES			
General government - current:			
Ad valorem tax deductions	3,000	-	3,000
Total general government - current	<u>3,000</u>	<u>-</u>	<u>3,000</u>
Debt Service:			
Principal Retirement	51,000	51,000	-
Interest and fiscal charges	14,321	13,222	1,099
Total Debt Service	<u>65,321</u>	<u>64,222</u>	<u>1,099</u>
TOTAL EXPENDITURES	<u>68,321</u>	<u>64,222</u>	<u>4,099</u>
Excess (deficiencies) of revenues over expenditures	(20,693)	(20,592)	101
OTHER FINANCING SOURCES(USES)			
Transfers in (out)	25,000	23,531	(1,469)
Net change in fund balance	4,307	2,939	(1,368)
FUND BALANCES			
Beginning of year	91,079	92,564	1,485
End of year	<u>\$ 95,386</u>	<u>\$ 95,503</u>	<u>\$ 117</u>

REPORTS REQUIRED BY GOVERNMENT
AUDITING STANDARDS



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Commissioners,
Of the Lafourche Parish Fire Protection District No. 1
Raceland, LA

We have audited the financial statements of Lafourche Parish Fire Protection District No. 1, a component unit of the Lafourche Parish Council, as of and for the year ended December 31, 2007, and have issued our report thereon dated May 12, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Lafourche Parish Fire Protection District No. 1's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the basic financial statements but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lafourche Parish Fire Protection District No. 1's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended for the information of the Board of Commissioners, management the State of Louisiana and the Legislative Auditor for the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Stagni & Company

Thibodaux, LA
May 12, 2008



Lafourche Parish Fire Protection District No. 1
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2007

We have audited the financial statements of Lafourche Parish Fire Protection District No. 1, a component unit of the Lafourche Parish Council, as of and for the year ended December 31, 2007, which collectively comprise the basic financial statements and have issued our report thereon dated May 12, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Our opinion on the financial statements as of December 31, 2007 was unqualified.

Section I Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses **No**

Significant Deficiencies **No**

Compliance

Compliance Material to Financial Statements **No**

b. Federal Awards **N/A**

Internal Control

Material Weaknesses ☐ Yes ☐ No

Significant Deficiencies ☐ Yes ☐ No

Type of Opinion On Compliance Unqualified ☐ Qualified ☐

For Major Programs Disclaimer ☐ Adverse ☐

Are their findings required to be reported in accordance with Circular A-133, Section .510(a)? ☐ Yes ☐ No

c. Identification of Major Programs: **NOT APPLICABLE**

Section II Financial Statement Findings

NONE

Section III Federal Award Findings and Questioned Costs

NOT APPLICABLE-NO FEDERAL AWARDS RECEIVED.

